



ORGANIZATIONAL PRINCIPLES OF INTERNATIONAL MEDICAL TOURISM CLUSTER MANAGEMENT

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ABSTRACT

Objective: This article aims to present an economic rationale for a model of managing a medical tourism cluster, shedding light on the organizational principles and key components of this vital industry.

Methods: The research employs a systematic approach to delineate the components of the medical tourism cluster, categorizing it into diagnostic and therapeutic, wellness, and beauty tourism.

Results: Developed the map of cluster medical tourism and identifies its main components. Specific interpretations and entity definitions types of medical tourism. Identifies the main international and national associations, which coordinate the activities in the field of medical tourism. Justified model of the cluster management medical tourism, developed the organizational structure of a public organization that performs a coordinating influence on the activity of the cluster of medical tourism.

Conclusion: In conclusion, this research provides valuable insights into the organizational and economic aspects of managing a medical tourism cluster. By delineating the structure, stakeholders, and coordination mechanisms, it offers a robust framework for enhancing the competitiveness of the medical tourism industry.

Keywords: Tourism; Medical tourism; International tourism; Tourism management regulation.





INTRODUCTION

The last decade has been characterized by the rapid development of medical tourism, which is one of the most important economic sectors, creating 100 million jobs and generating 12% of global GDP (Global Healthcare Travel Council, n.d.).

As life expectancy increases, so does people's interest in maintaining and restoring their health, as it affects their quality of life. In addition, as globalization has facilitated travel, the demand for medical tourism for individual health care has also increased. Cross-border travel for health maintenance and recovery, ease of travel between countries, and increased health awareness and expectations of healthcare have contributed to medical tourism becoming an emerging industry in many countries (Kim & Hyun, 2022). The positive dynamics of medical tourism development is largely due to the reduction in travel costs and the intensification of advertising not only by travel companies but also by healthcare providers (Ruggeri et al., 2015).

In 2019, experts and scientists predicted a rapid rise in the international medical tourism market, and it was expected that by 2025 it would grow by USD 131.35 billion with an average annual growth rate of 20% (Kim et al., 2019).

However, the COVID-19 pandemic has seriously affected the socio-economic and political stability of countries (Anisimova et al., 2023). In 2020, the World Travel and Tourism Council (WTTC) made a forecast that in 2021, about 62 million jobs will be cut worldwide, which is 18.5%. The contribution of the travel and tourism industry to GDP will decrease by 49.1% (Fotiadis et al., 2020). This situation has obviously affected the medical tourism sector.

The end of the COVID-19 pandemic will not only return medical tourism to its lost positions, but new prospects may emerge due to the need to restore health after an infectious disease (Shchokin et al., 2023a, 2023b).

In the scientific research of Ukrainian and foreign authors V. Bayev, I. Bakhov, V. Kifyak, V. Malimon, Y. Migalina, Burkett L., Carabello L., Lunt N., Vijaya R. the prerequisites and factors of development of medical and health tourism are investigated, its status as a basic competitive element of the economy of the country and individual regions is determined.

Integration of the medical potential and resources of all subjects of the tourism industry in order to ensure the competitiveness of domestic medical tourism in the world market is considered possible with the use of cluster technology. In the scientific





works of V. Bayev et al. (2019, 2020), K.O. Shilkina (2013) the tools of the cluster approach to the formation of the regional tourism market are used.

PROPOSED METHODOLOGY

The purpose of the article is to provide an economic substantiation of the medical tourism cluster management model. In our opinion, the economic foundations of managing a medical tourism cluster as an instrument for increasing the competitiveness of the domestic economy have not been fully researched.

RESULT ANALYSIS

Considering the modern concept of forming a functional model of the domestic tourism cluster under the current legislation of Ukraine, a map of the medical tourism cluster has been developed (Fig. 1).

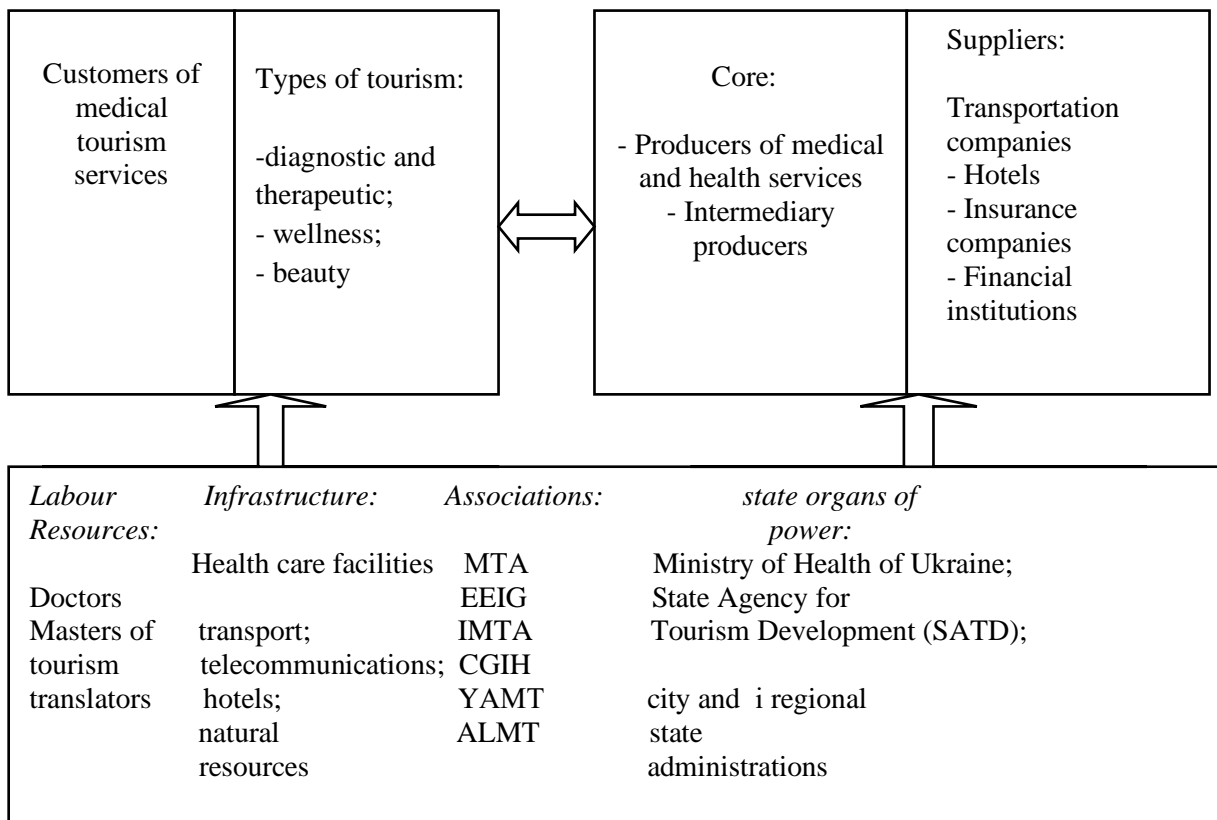


Fig. 1 Map of the medical tourism cluster (source: author's elaboration)





An important place on the map of the medical tourism cluster is occupied by its main types, which reflect consumer demand and the ability of a country or region to meet the needs of consumers in various tourist products. We have identified three types of medical tourism: diagnostic and therapeutic; wellness and beauty tourism.

Diagnostic and therapeutic tourism is a trip to another country to receive services for the treatment and/or diagnosis of diseases of various medical diagnostic groups.

Health tourism can be considered as a tourist trip with the purpose of obtaining rehabilitation and health services. Wellness services include health resort, spa and wellness services.

Beauty tourism is a trip to another country to receive services in plastic surgery, appearance care and cosmetology. The specificity of this type of tourism is the receipt of services provided by persons with medical education. However, receiving such services is not classified as treatment or rehabilitation.

Service buyers are an important part of the medical tourism cluster. Service buyers can be ranked according to several categorical features in terms of their attitude to the channel of payment for the tourist product and medical services. Namely:

- individuals traveling to receive medical tourism services and paying the cost of the travel package on their own;
- legal representatives of healthcare consumers who can spend their own money and the consumer's money by agreement or by will. As a rule, these are parents of minor children, representatives of incapacitated persons and persons in a comatose state;
- indirect buyers - legal entities (insurance companies, governmental or non-governmental organizations, medical institutions in the country of residence of the medical tourist) that enter into appropriate agreements with the service provider.

The core of the medical tourism cluster is the producers of medical, health and beauty tourism services and intermediary producers. Producers of medical tourism services include medical and preventive care facilities, sanatoriums, cosmetic hospitals and plastic surgery clinics. Producers of medical and health services are responsible for the quality of medical care to buyers of medical tourism services and patients, as well as intermediary producers.

Ukraine's competitive advantage is the ability to coordinate the provision of medical tourism services between producers belonging to different categories. For





example, a person traveling for dental tourism can stay in a health resort and receive appropriate health services.

Intermediary producers in the medical tourism cluster are: national tourism enterprises; medical and preventive healthcare facilities, the organizational structure of which includes structural units for the organization of medical tourism; foreign offices of medical tourism associations and specialized tour operators.

The functions of intermediary producers include organization of tourist trips, search and conclusion of agreements with medical service producers, as well as other subjects of the tourism industry regarding transportation (including by air ambulance), transfer (including with medical personnel accompanied by specialized cars), accommodation (including accompanying persons), etc. Medical tourism agencies are responsible to the buyers of medical tourism services for the organization and quality of medical care, care during treatment, treatment planning together with doctors of foreign and domestic clinics, etc.

Intermediary producers directly form the tourism product and conclude service agreements with the main intermediaries: transport companies, hotels, insurance companies; financial institutions and other tourism industry entities.

Educational institutions that train doctors, masters in tourism and tourism industry management, and translators are a necessary substantive element of the medical tourism cluster development. The specifics of medical tourism require postgraduate education and advanced training for both medical staff and professionals with tourism education.

The proposed map of the medical tourism cluster envisages coordination of the activities of the organizations that make up the core of the cluster by public authorities and public associations.

International organizations are a guiding and coordinating platform within the global healthcare system. The functions of such organizations include education and training in international schools, conferences, exhibitions on medical tourism, organization of publications in medical and health tourism journals. International organizations that coordinate relations in the field of medical tourism include: Medical Tourism Association (Medical Tourism Association, MTA);

- The Global Healthcare Travel Council (GHTC);
- Association of Travel Insurance Intermediaries;
- European Medical Tourism Alliance (EEIG);





- International Medical Travel Association (IMTA);
- Council on the Global System of Healthcare (CGIH).

The sphere of medical tourism should be influenced by the coordination activities of the World Tourism Organization (UNWTO) and the World Travel and Tourism Council (TTC). The main functions of the leading international associations that have a coordinating influence on the medical tourism industry are presented in Fig. 2.

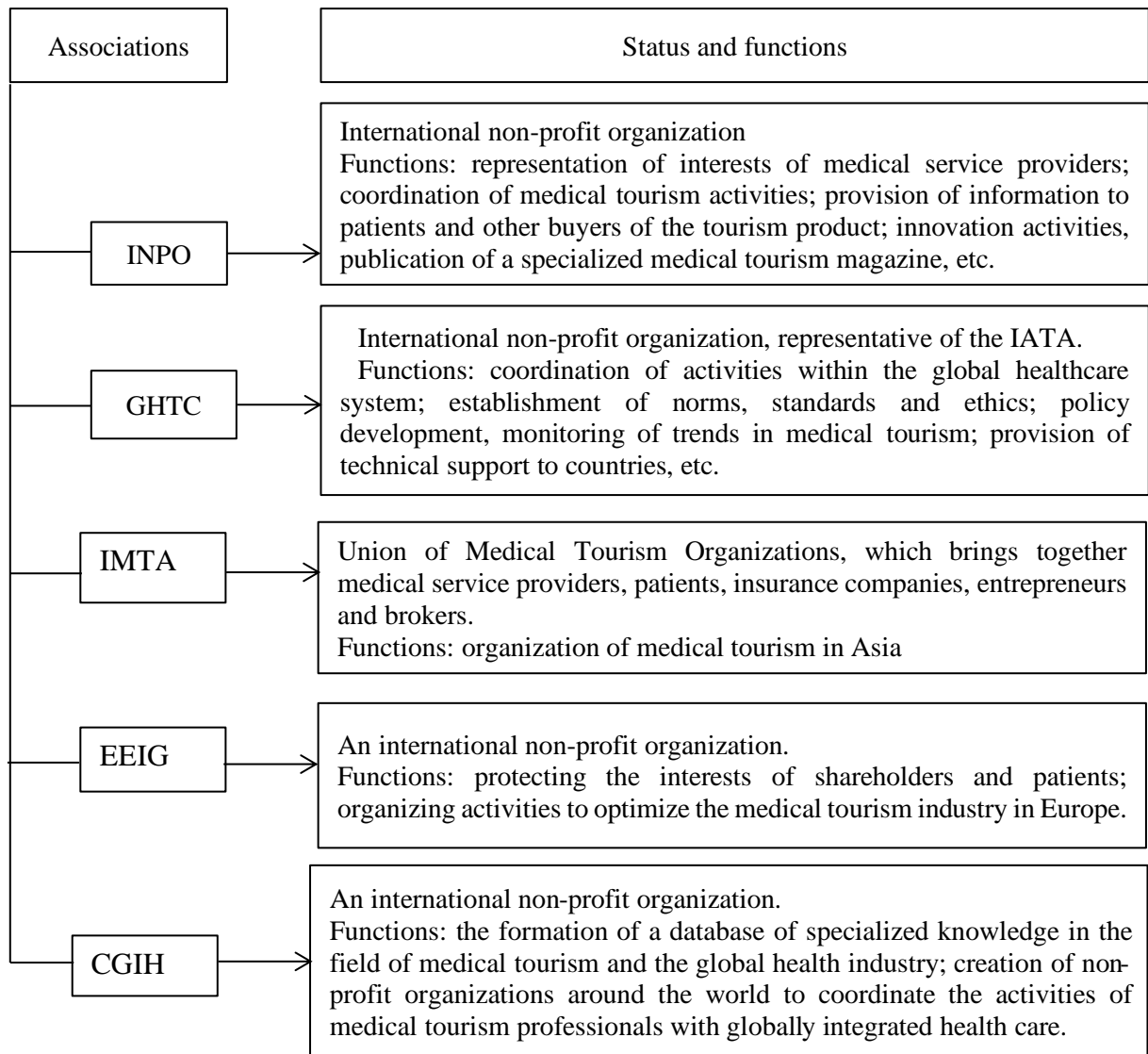
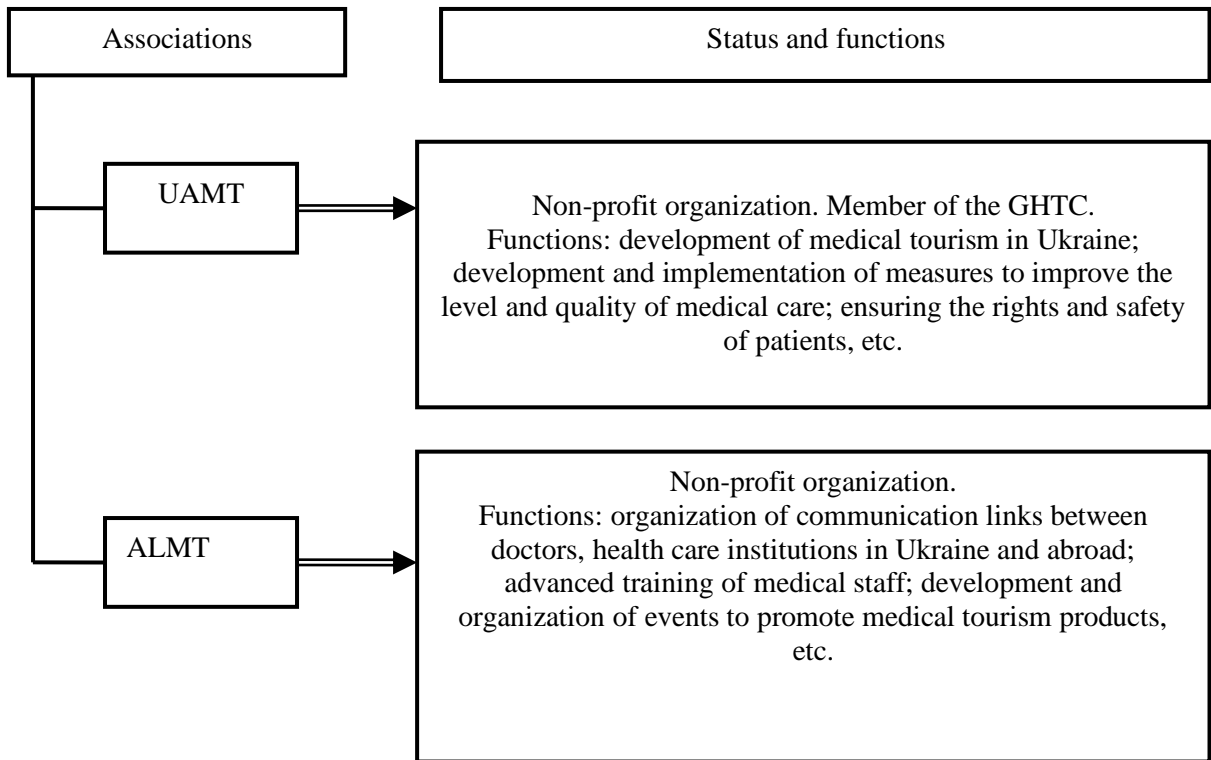


Figure 2. Coordination functions of the leading international medical tourism associations (source: developed by the author on the basis of the websites of the MTA, GHTC, IMTA, EEIG, CGIH)

The main national associations that should coordinate relations in the medical tourism cluster include the Ukrainian Association of Medical Tourism (UAMT) and the Association of Medical Tourism Doctors (AMTD). The distribution of their coordination functions is shown in Fig. 3.





Source: developed by the author on the basis of UAMT, ALMT websites

Figure 3. Functions of national associations that coordinate activities in the medical tourism cluster

Directly to the elements and management bodies of the medical tourism cluster should be attributed state authorities (Ministry of Health of Ukraine, State Agency for Tourism Development (DART), city and regional state administrations).

Since there is no legislative framework in Ukraine that regulates the activities of clusters, registration and organization of tourism clusters is possible within the framework of the relevant public organization (Burkett, 2007). The organizational structure of the public organization that coordinates the activities of the medical tourism cluster is shown in Fig. 4.

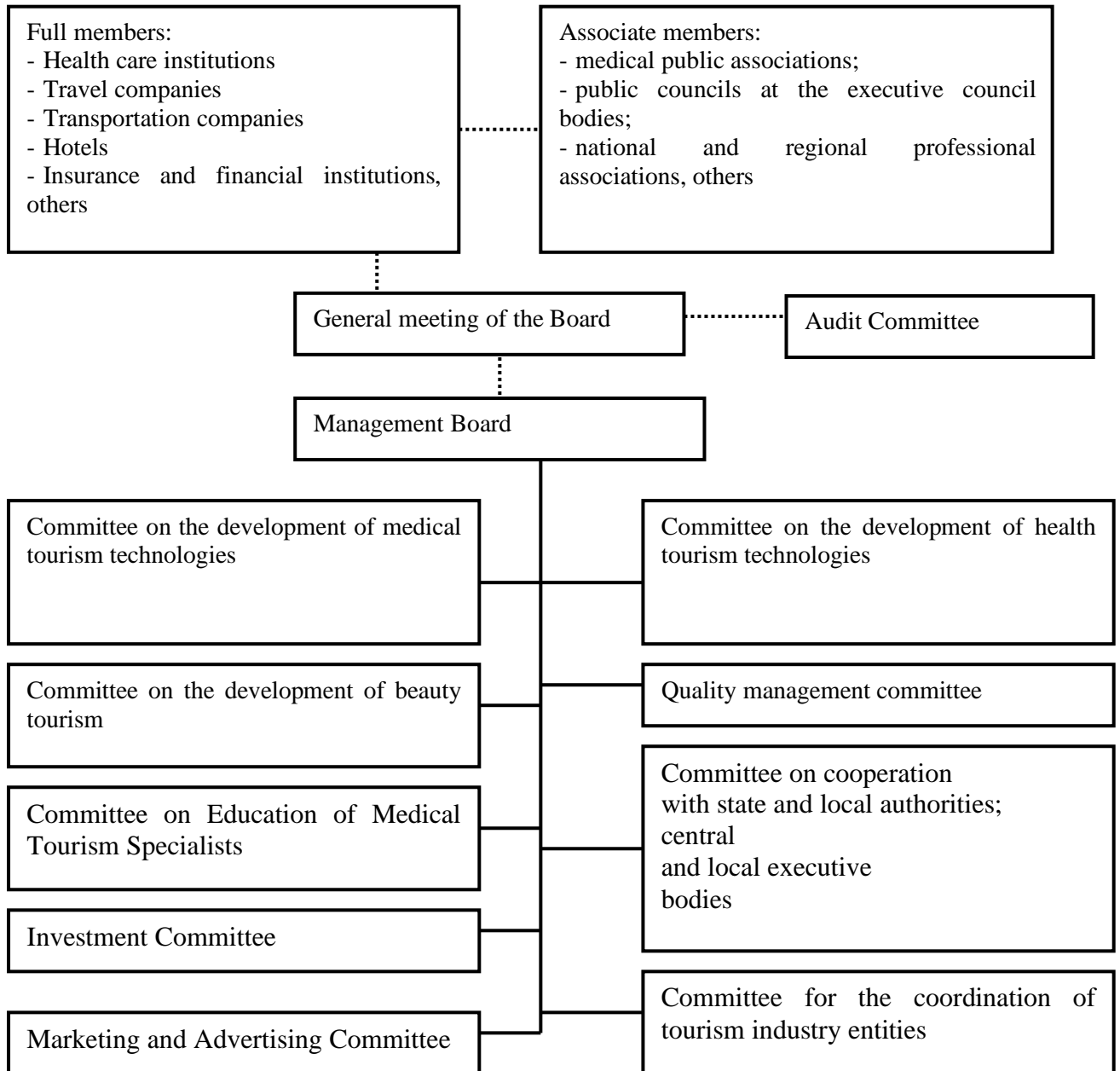


Figure 4. Organizational structure of the organization coordinating the activities of the medical tourism cluster

The organizational structure of the cluster provides for the membership of all organizations involved in the formation of the tourism product, so it is advisable to form a coordinating organization with the status of a public union. In accordance with the Law of Ukraine "On Public Associations", the founders of a public union can be legal entities of private law, and members can be both legal entities of private law and individuals (Verkhovna Rada of Ukraine, 2012).

The Coordination Center of the medical tourism cluster as a public union has the right to:





- to be a party to civil law relations, to acquire property and non-property rights in accordance with the law;
- to carry out entrepreneurial activity; to establish mass media for the formation of communication links in the field of medical tourism;
- participate in the implementation of the state regulatory policy in the field of medical tourism in accordance with the Law of Ukraine "On the Principles of State Regulatory Policy in the Field of Economic Activity", etc.

Associate members of the organization - coordinator of the medical tourism cluster may include various associations and public associations. Medical public associations include: All-Ukrainian Medical Society; Association of Dentists of Ukraine; Ukrainian Association of Plastic and Aesthetic Surgery; Public Organization "All-Ukrainian Association of Physiotherapists and Balneologists"; Association of Nurses of Ukraine; Federation of Public Medical Associations of Ukraine; All-Ukrainian Public Association "Association of Private Medicine"; All-Ukrainian Public Organization "Association of Medical Law"; All-Ukrainian Public Organization "Ukrainian Medical and Legal Association"; Union of Public Organizations "All-Ukrainian Medical Association". Associate members may also include public councils at executive bodies, leading national and regional professional associations. For example, the Public Council at the State Agency for Investment and National Projects.

The supreme collegial governing body of a medical tourism cluster is the general meeting, in which representatives of all members of the union have the right to participate. The governing body in the period between general meetings is the board of the medical tourism cluster union. The Board organizes the implementation of the decisions of the general meeting and carries out the day-to-day management of the association, is responsible for strategic development and risk management.

Control over the financial and economic activities of the medical tourism cluster association is exercised by the audit committee, whose members are elected by the general meeting. The functions of the audit committee include checking the financial part of the report and the balance sheet of the association, as well as other issues related to the control of financial and economic activities.

The number of committees in a public association of a medical tourism cluster is determined by the specifics of its activities.





It seems possible, when introducing a cluster technology, to pool intellectual, educational research and medical research capabilities, medical and material and technical resources, facilitate efficient utilization of public and other investment innovative resources for the purpose of medical tourism sustainable development and ensuring its competitiveness in the world market (Bayev et al., 2022).

CONCLUSIONS

Thus, the proposed model of a medical tourism cluster includes the main components that provide a synergistic effect from the coordination of the activities of medical and health services producers, intermediary producers and suppliers of basic services that are part of the tourism product. The provision of medical care and the formation of a medical tourism product should comply with the main memorandums and resolutions of international and national medical tourism associations. Direct coordination of the medical tourism cluster is carried out by the coordination center, which operates on the basis of a public organization.

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